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## NOTES FROM THE EDITOR

A GLOBAL PERSPECTIVE ON RISK AND PENSIONS  
(Cliff Notes Version)*By Josh Bank*

**RISK:** The chance of loss or the perils to the subject matter of an insurance contract; also: the degree of probability of such loss. From the Italian *risicare*; to dare (originally to skirt cliffs in sailing), Latin *resecum* sharp cliff, Latin *resecāre* shorten, cut off (re- back + *secāre* to cut off). Other linguistic research places the origins of this word in Greece—although they are similar to the Latin roots, relating to navigation and cliffs. These etymological roots might make the layperson think of the term "cutting corners," although actuaries who are reading this would—by both instinct and training—surely subscribe to a more constructive interpretation such as "cutting it too close" (at least too close for comfort without the analysis and advice of a qualified actuary).

**GLOBAL RISK:** French (*risque, péril, hasard*); Spanish (*riesgo, peligro, albur*); Italian (*rischio*); Portuguese (*risco, peligro*); German (*Risiko, Gefahr, Einsatz*); Russian (*РИСК, ОБАТb*); Japanese (*リスク [risuku], 危険 [kiken/kakeru]*);

Thai (*อันตราย [antrāy]*); Chinese (*风险 [Fēngxiǎn]*); Yanomami (*they have no word for risk, or danger. However, they do have numerous words for the avoidance of risk/danger, but those words are not considered appropriate for a professional journal, as they all have negative/cowardly connotations*).

**PENSIONS:** In South America, "pensión" means retirement pension in some countries; in others, similarly to Italy and France and other European countries, its local analog means "boarding house" if used on its own. However, its meaning changes to "retirement pension" if used along with the word for retirement ("pension de retraite" in France and French Canada [e.g., *Pension de retraite du Régime de pensions du Canada*—RPC—is French Canadian for the *Canada Pension Plan*, or as many of us know it, the CPP]).

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In Italy, "pensione di vecchiaia" means old age pension. Back in Latin America, "jubilación" is the most common term for worker's retirement while "pensión" refers to surviving spouse's or children's (or concubine's) retirement payments. "Retiro" means retirement in some Hispanic countries, and in others it merely means termination prior to retirement.

In Germany it's "Rente" for salaried staff; "*Ruhegehalt*" (or Pension) for civil servants. (Actuary is *Aktuar* if you want to avoid tongue-twisters, or "*Versicherungsmathematiker*" [insurance mathematician] if you are one and/or want to impress your clients.)

Anyway, I hope you enjoyed the mini-lesson in global risk and pensions. The really interesting stuff, though, comes in the remaining columns and articles in this spring 2011 issue of *Pension Section News*. As you might guess, the focus of the current *PSN* is... **PICK!**

Remember ... Risk is Opportunity!!! (Or *Fēngxiǎn*, if you're planning on doing business in China.)

Cheers!

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